



AMERICAN RECOVERY AND REINVESTMENT (FEDERAL STIMULUS) ACT OF 2009

HUMAN SERVICES (SECTION B)

February 27, 2009

Agency/Function	Description	Conditions on the Money?	How Distributed?	How Much?	Need to be Appropriated?	Issues/Comments/Legislative Decision Points
Title IV E Assistance for Foster Care and Subsidized Adoption	Provides an increase in the federal match rate of 6.2 % The increase does not apply to IV-E Admin funding	Same as Medicaid	As match for Foster Care services beginning October 2008 and ending December 31, 2010.	Preliminary estimates of \$4 million	Yes	The temporary increase in federal Medicaid match will result in a significant present law adjustment for additional general fund in the 2013 biennium.
Temporary Assistance for Needy Families	Provides block grants addressing 1) basic assistance expenditures; 2) increased non-recurrent short term benefits (20 % match); and increased expenditures for subsidized employment (20% match) Allows states to maintain the caseload reduction credit Permits states and tribes to use TANF reserves for any TANF benefit or service	Block grants State qualification for TANF stimulus funds is dependent upon the Oct – Dec Qtr 2008 caseload increase compared to the same Qtr in 2007. Reimbursement beginning October 2008 and ending December 31, 2010.	The state would qualify for reimbursement at 80 percent of increased spending based on a formula that compares the recent quarter to the lowest average for the same months of 2007 or 2008.	Est. about \$5.5 million of emergency funding	Yes	Provision of emergency TANF stimulus money to spend preserves the funds presently in the TANF block grant To take advantage of these funds, the legislature could increase spending (over fiscal 2007 or 2008 levels) in at least one of the three areas: cash grants, one-time payments, or subsidized employment. The one-time or subsidized employment components would be short-term programs enhancing skill or opportunities for participants that would cost the state 20%.

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Supplemental Nutrition Assistance Program (SNAP) formerly Food Stamps	<p>Increases benefits 113.6 % of the Thrifty Food Plan (TFP) to begin no less than 25 days after enactment of ARRA. This increase ends 9/20/2009 but benefits cannot be lower. Benefits will not increase until the total rate of food inflation is more than 13.6% as determined in June of each year. In June of 2009 and 2010 the federal agency will determine the value of the TFP and assess if the state still maintains a 13.6 percent benefit.</p> <p>There is as administrative hold harmless clause in regard to errors associated with the increase.</p> <p>Provides administrative funding for SNAP systems available no later than 60 days after enactment</p>	<p>Time limits are suspended for able-bodied adults without dependents (ABAWDS)</p> <p>MOE must be maintained for admin.</p> <p>Temporary increase terminates after 9/30/09 but the max allotment may not be reduced below the level for 2010</p>	<p>100% federal reimbursement for allowable benefits</p> <p>Some administrative costs based upon 75% on each state's share of SNAP households for the most recent 12 months; 25% is allocated based on the increase in the number of households for the same period of time.</p> <p>No MOE required.</p>	<p>\$ 57.7 million</p> <p>Admin could be about \$700,00 for monitoring program integrity and effectiveness of benefit increase</p>	Yes	<p>Administrative funds could be used for eligibility staff to handle increased caseloads and for computer system programming to accommodate required adjustments</p> <p>The legislature may wish to visit with the division about the impact of the increased caseload on the Office of Public Assistance staff</p>
Funding for Food Banks and TEFAP (The Emergency Food Assist. Program)	Supports the purchase of commodities for emergency food support and provides some funding for food banks	<p>Food</p> <p>Request/acquire food & deliver</p>	100% federal	Est. \$173,000 commodity assistance & TEFAP \$87,333		
Child Support Enforcement	Temporarily restores federal matching funds for CSE incentive payments that states reinvest back into the child support enforcement program from: Oct. 1, 2008 – September 30, 2010	Reinvest back into the child support enforcement program	Federal match 66% Title IV-D	Estimated about \$4.3 million freed-up general fund	Yes	There will need to be a decision package for an OTO funding switch in the division's HB 2 appropriation

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Child Care Development Block Grant	Provides child care services for an additional 300,000 children in low-income families while their parents go to work. Oct. 1, 2008 – September 30, 2010	Funds will supplement, not supplant state general revenue child care funds;	Block grant comes in as discretionary and take on those rules – no required match, obligated within 2 yrs and spent in 3.	\$2 billion over two years / comes in 2 payments: Upon passage \$2.9 million Est. 10/1/2009 \$2.9 million Federal Total \$255,186,000 will be used for quality; \$93,587,000 (of the \$255,186,000) will be used to improve the quality of infant and toddler care.	Yes	To spend on Direct Services Possibilities could include: Ways to broaden population served for a short period of time 1) Montana bases eligibility on 150% of poverty and does not presently have a waiting list for services. -- possibility increase 2) Increase state plan median income 3) Identify a specific population a. Recently unemployed Uses the “Quality Child Care” funding 1) Funding for Resource & Referral for community infrastructure needs 2) Grants to providers for things like professional development, supplies, education
IDEA Infants and Families	Provides additional early intervention services for children with disabilities ages 0 through 2 years	\$500 million	Grant	About \$2.1 million	Yes	Must maintain MOE (MT has about \$750,000 MOE for 2010 and 2011)

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Community Service Block Grant	Provides a temporary funding increase through September 30, 2010 Supports employment, food, housing, and healthcare efforts serving those hardest hit by the recession.	\$1 billion; full amount available upon enactment. Requires states to set aside 1% for benefit coordination activities, remainder must be allocated to local eligible entities. Permits states to set the eligibility limit at 200% of poverty level.	Block Grant Funding is passed on to local communities	Est. \$4.5 million 1% to Admin	Yes	Grants are passed on to local communities
Weatherization	Weatherize low-income homes	Expands eligibility to 200 percent of FPL and the allowable level per home to \$6,500 (increase from about \$3,000)	Formula Grant	Est. for MT \$27,059,681 Federal: \$6.2 billion	Yes	Funding is passed on to local entities
Health Information Technology	The Secretary of HHS was given \$2 billion dollars with broad discretion to invest in health IT These funds would come with 100 % funding for Medicaid records applications or 90% funding for Medicaid admin. functions	Grants		Unknown		Possible for electronic records in the Correctional system Possible for the HIT \$750,000 general fund request in the Governor's Budget

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Homeless Prevention/Emergency Food and Shelter	Supports needs at the community level for food, shelter, and support services.	\$1.5 billion	Formula grants based on unemployment and poverty rates	Estimated \$172,696 food & shelter to local agencies \$3.7 homelessness	Yes	Funding is passed on to local entities
Vocational Rehabilitation	<p>\$500 million for construction and/or rehabilitation of facilities to help persons with disabilities prepare for gainful employment</p> <p>Supports direct services to individuals with disabilities achieve independent living</p> <p>Supports services for older and blind individuals</p>		<p>100% federally funded</p> <p>Formula Grants</p>	<p>\$2.3 million</p> <p>Federal: Split between \$540 million with \$250 million available 10/1/2009 \$110 million available 10/1/2009 For Independent Living</p>	Yes	The Vocational Rehab rules are still unclear.
Health Resources and Services Administration workforce development programs (HHS)	\$500 million, to address health professions work-force shortages. This may go to DOLI in Montana. Unknown at this time.		Funds may be used to provide scholarships, loan repayment, and grants to training programs for equipment as authorized in the PHS Act.	\$500 Million		

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<p>Maintenance of Federal Medicaid Match Rate (FMAP)</p> <p><u>And</u></p> <p>Temporary Increase in Federal Medicaid Match Rate (FMAP)</p>	<p>Three types of temporary assistance for Medicaid programs:</p> <ol style="list-style-type: none"> 1. Hold harmless for reductions in federal match rate <p>The bill holds each state's federal Medicaid match rate at the 2008 level if it would have otherwise decreased in 2009, 2010, or 2011. (Hold harmless rate for Montana is 68.53%.)</p> <ol style="list-style-type: none"> 2. Temporary increase in federal Medicaid match rate <p>There is a temporary 6.2% increase in the federal Medicaid match rate (including Title IV-E for Foster Care and Subsidized Adoption). The base rate for Montana would move to 74.73.</p> <ol style="list-style-type: none"> 3. High unemployment adjustment <p>The bill also adds an increase to the federal Medicaid match rate (applied to Medicaid</p>	<p>None of the state funds freed up due to increased FMAP may be used directly or indirectly for a rainy day fund or to create a reserve. The bill specifically prohibits the Secretary of Health and Human Services from waiving this provision.</p> <p>States must meet prompt payment requirements for the increased FMAP and submit a report to the secretary regarding how the funds were spent.</p> <p>Medicaid eligibility levels as of July 1, 2008 must be maintained.</p> <p>Enhanced federal match rate is not</p>	<p>As match for Medicaid and Foster Care services beginning September 2008 and ending December 31, 2010.</p> <p>Retro active reimbursements from October 2008 through February 2009 will reduce general fund expenditures in state FY 2009 and increase general fund reversions.</p>	<p>Estimated to provide an additional \$180 million depending on assumptions about the high unemployment adjustment. Amounts could be lower if Montana unemployment rate stabilizes.</p>	<p>Yes</p>	<p>The Legislature may wish to explicitly identify its decisions regarding expenditure of the general fund freed up by the increased federal Medicaid match to avoid federal recoupment of funds.</p> <p>The temporary increase in federal Medicaid match will result in the highest ever general fund present law adjustment in the 2013 biennium in order to continue base budget Medicaid services not including any increases in eligibility or service utilization.</p>

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	<p>services only) based on increasing levels of unemployment.</p> <p>Adjustments are tiered and tied to quarterly increases above the lowest level of unemployment since January 1, 2006 (3.1% in Montana). Additional federal match available if state 3-month unemployment is 1.5%, 2.5%, or 3.5% greater. Amount of adjustment increases as unemployment rises - 5.5%, 8.5%, and 11.5%. These percent reductions would be applied against the state share after the hold harmless reduction and after an across-the board-increase of 3.1 percentage points.</p> <p>Once a state receives a high unemployment adjustment, it continues to receive the adjustment until July 1, 2010. Montana is currently eligible to receive an adjustment for exceeding a 2.5% change in unemployment.</p>	<p>available for services provided due to increases in eligibility after July 1, 2008. This prohibition would mean that Medicaid costs for the expansion authorized in Healthy Montana Kids would not be matched at the enhanced rate.</p>		.		

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Temporary Increase in Medicaid Payments to Hospitals that Serve a Disproportionate Share of Low-Income Persons (DSH Payments)	Bill provides an increase of 2.5% in federal FY 2009 and an additional 2.5% in federal FY 2010.		As additional payments to hospitals that serve disproportionately high number of Medicaid and Medicare individuals as well as persons who are uninsured.	Unknown at this time.	Yes	
Extend Transitional Medicaid Assistance	The bill allows states to extend transitional Medicaid assistance for families from 6 to 12 months.		As federal Medicaid match for eligible costs.	Unknown and depends on state option.	Yes	Montana could opt to extend transitional Medicaid assistance from 6 to 12 months.
Moratorium on Certain Federal Regulations	Extends the current law moratorium on certain federal regulations through June 30, 2009 including changes to reimbursement for school services and transportation, outpatient hospital costs, provider taxes, and optional case management.					

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Provisions Impacting American Indians	The bill excludes: 1) certain resources from being considered for Medicaid and CHIP eligibility of an Indian; 2) imposition of co-payments for Indians; and 3) reductions of provider payments by the amount of co-payment for services provided by the Indian Health Service, and other Tribal providers.		Federal pass through funds provided for I.H.S. services provided to Medicaid eligible persons; state match required for some services provided by off reservation providers.	Unknown	Yes	These provisions will increase the number of Indians eligible for Medicaid in Montana. The potential cost impact is not known at this time. Increased Medicaid reimbursements to I.H.S. will allow I.H.S. funds to be used for other services. Costs due to these changes will be ongoing.
Women's , Infants, and Children (WIC) Special Nutrition Program	H.R. 1 To provide funding for new management information system or improve existing systems S. 336 additional funding for food benefits			\$1.0 million	Yes	The state has been preparing for a new WIC system and has approximately \$800,000 in funding, DPHHS anticipates requesting an additional \$400,000 for the through federal funds. WIC received increased funding during the 2009 biennium. It will receive an additional \$600,000 for benefits. Funding can be used to cover increased costs of food, changes in food package or additional participants.
Elderly Feeding Program	Provide additional meals to elderly persons		Allocated by existing federal aging grant formula	\$500,000	Yes	
Prevention and Wellness Fund	Fight preventable chronic diseases and infectious diseases. Preventive Health and Health Services Block Grants, immunizations programs, evidence-based disease prevention		Grants distributed by CDC	\$2.6 million	Yes	Public Health and Safety Division has several programs for chronic and infectious diseases. Funding will enhance current programs.